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Subject: BLOOMBERG: Wyoming Replaces U.S. to Study Water Woes Tied to Fracking

Wyoming Replaces U.S. to Study Water Woes Tied to Fracking

By Mark Drajem - Jun 20, 2013 6:20 PM ET

Wyoming's government will replace the U.S. Environmental Protection Agency in investigating water contamination in Pavillion, the town where water woes are linked to hydraulic fracturing. An environmental group said the federal agency is "abdicating" its responsibility.

The state's decision will stop progress on a study begun in 2009 by the EPA. A draft report in 2011 was the first by a federal agency to find pollutants tied to hydraulic fracturing, or fracking, in groundwater. The inquiry is being watched by industry, lawmakers, regulators and activists, as they debate the risks of the practice.

"Wyoming will work in a thoughtful and productive manner as further investigation is initiated," Republican Governor Matt Mead said today in a joint statement with the EPA and Encana Corp. (ECA), which owns gas wells near Pavillion.

Wyoming will complete its study by September 2014. Encana will contribute \$1.5 million to the Wyoming Natural Resource Foundation for a public awareness campaign, as well as funding for water to local residents, according to the statement.

Both Encana and the state criticized the EPA's preliminary findings in Pavillion, arguing that the test wells aren't sufficient and its findings are less conclusive than the agency said. EPA got involved in Pavillion after town residents went to federal officials and argued that state regulators weren't acting on their health and water complaints.

'Stands Behind'

In the statement, the EPA said it "stands behind its work and data" from Pavillion. Still, the agency said it won't finalize the report drafted in 2011, nor "does the agency plan to rely upon the conclusions in the draft report."

The agency's decision pleased industry groups and lawmakers who have criticized it.

"EPA should not only drop the Pavillion work from consideration, it should fully retract it," Erik Milito, a group director for the <u>American Petroleum Institute</u>, the Washington-based trade group for the oil and gas industry, said in a statement.

The environmental group Food & Water Watch said the EPA is supposed to protect natural resources, and questioned the decision to turn over the task to the state government.

"Why is it abdicating this responsibility when escalating industrial activity such as hydraulic fracturing threatens the very communities and resources the EPA should be keeping safe?" Wenonah Hauter, the Washington-based group's executive director, said in a statement.

In fracking, millions of gallons of water with chemicals and sand are shot underground to break apart underground rock and free trapped gas or oil. The technology has helped the U.S. cut dependence on imported fuels, lower power bills and cut state unemployment from <u>Pennsylvania</u> to <u>North Dakota</u>.

Critics have said it endangers water supplies, while the industry maintains that no confirmed case of such contamination has ever been demonstrated scientifically. If the Pavillion results hold up to further scrutiny, they could refute that contention.

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